

OFFICIAL TRANSCRIPT

INMAN

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Select Committee on Intelligence

UNITED STATES SENATE

NOMINATION OF ADMIRAL B. R. INMAN, OF TEXAS
TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

Tuesday, February 3, 1981

Washington, D. C.

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REPORTING

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1 NOMINATION OF ADMIRAL B. R. INMAN, OF TEXAS
2 TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

3 - - -

4 Tuesday, February 3, 1981

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6 United States Senate,
7 Select Committee on Intelligence,
8 Washington, D.C.

9 The Committee met, pursuant to notice, at 2:05 o'clock
10 p.m., in Room 6202, Dirksen Senate Office Building, the
11 Honorable Barry Goldwater (Chairman of the Committee)
12 presiding.

13 Present: Senators Goldwater (presiding), Garn, Chafee,
14 Lugar, Wallop, Durenberger, Schmitt, Moynihan, Biden,
15 Inouye, Leahy and Bentsen.

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17 The Chairman. The meeting will come to order.

18 I am sure that Senator Tower will be here. He is
19 detained.

20 Admiral Inman, I'm very glad to see you appearing at
21 this hearing as President Reagan's choice to be Deputy
22 Director of Central Intelligence. You have my vote even
23 before I hear your testimony, and if there is ever such a
24 thing as the right man for the right job at the right time,
25 you are that man.

1 Just last week at the Casey hearing, I urged, along
2 with all of my colleagues, that he go after you for this
3 job. So your being here today is good news to me. You are
4 a man of outstanding qualifications, integrity and
5 compassion. And I must say, from my intelligence friends
6 around this world, I don't know of a man in the business
7 that is more highly regarded than you. We are lucky to have
8 you and the nation will be better for it.

9 So I am going to ask Senator Bentsen to start the
10 introduction of you, he being from Texas and you being from
11 Texas. And I would like to recognize, though, the fact that
12 Mrs. Inman is sitting right behind you, which is her proper
13 place.

14 (Laughter.)

15 Senator Bentsen. Mr. Chairman, that was a superb
16 introduction in itself, and so I will keep mine short.

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1 STATEMENT OF THE HONORABLE LLOYD BENTSEN,
2 UNITED STATES SENATOR FROM THE STATE OF TEXAS

3 Senator Bentsen. But I am here to add my support in
4 the introduction of Admiral Inman, a Texan, but a man whose
5 nomination, from all I have heard, has received nothing but
6 accolades. He is a man of integrity, a man with a great
7 depth of experience in the intelligence field.

8 I am very pleased to see that he would take this
9 position, because he already had a responsible position as
10 head of the National Security Agency and was doing a superb
11 job in that regard.

12 Obviously, he has great technical qualifications, in
13 addition to the question of integrity and ability. He is a
14 graduate of the University of Texas. He is a man who I
15 think will bring the kind of experience and breadth to the
16 job which will please all of us.

17 He has appeared many times before this Committee and is
18 well known by most of the members of the Committee. So I am
19 delighted to join in support of him, and I know my colleague
20 Senator Tower feels just as strongly as I do in that
21 regard. And if he was not unavoidably detained, he would be
22 here.

23 The Chairman. Thank you very much, Senator.

24 And I was hoping that Senator Tower will show up. I
25 have a letter here that I will not read, but it is from

1 Edward Boland, who is Chairman of the House Committee which
2 corresponds to this. So I will ask unanimous consent that
3 it be placed in the record after the introduction by Senator
4 Tower. But we are still hoping.

5 (The document referred to follows.)

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1 The Chairman. And to get a few other things done that
2 have to be done, I will ask that the ethics report on
3 Admiral Bobby R. Inman be placed in the record following the
4 comments by Congressman Boland.

5 (The document referred to follows:)

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1 The Chairman. So we will just be patient a moment.

2 That is part of the game.

3 (Pause.)

4 Senator Garn. Mr. Chairman, when I left the policy
5 luncheon Senator Tower was still conducting and the Vice
6 President was still there, and I'm sure that that is why he
7 was detained.

8 The Chairman. Would it be the wish of the Committee
9 that we proceed and allow Senator Tower to introduce Admiral
10 Inman when he comes in, in the interest of time?

11 While Senator Moynihan is unavoidably detained for a
12 while, I will recognize Senator Inouye -- no, let's have it
13 the other way around. Let's have you make a statement, if
14 you want to.

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1 STATEMENT OF VICE ADMIRAL BOBBY R. INMAN,
2 UNITED STATES NAVY

3 Admiral Inman. Mr. Chairman, I appreciate very much
4 the kind words with which you have opened this session. I
5 would not elect to judge this Committee's views on the
6 subject of whether or not this country ought to have a
7 draft. But I did come to this table with something of the
8 feel of a draftee.

9 I am grateful to have the Committee's support, and I
10 hope both of us will feel at the end of two years that it
11 was the right choice.

12 It is a distinct pleasure to appear before this
13 Committee on this occasion. I have been nominated by the
14 President to serve as the Deputy Director of Central
15 Intelligence. You are all generally aware of my background
16 and my most recent assignment as Director, National Security
17 Agency. However, it might be useful for me to review that
18 background and experience in light of this nomination.

19 As a native of the State of Texas, I was educated and
20 received the degree of bachelor of arts from the University
21 of Texas at Austin in 1950. Shortly after joining the Naval
22 Reserve in 1951 and being commissioned as an ensign in March
23 of 1952, I joined the U.S.S. Valley Forge, then
24 participating in operations in the Korean area. Later, I
25 served in various administrative assignments in the European

1 theater.

2 Following release from and then return to active duty
3 six months later with the Navy, I served in various
4 shipborne operational assignments and in several
5 intelligence assignments functioning as an intelligence
6 analyst and as the Assistant Naval Attache at the U.S.
7 Embassy in Stockholm.

8 Subsequent assignments included service as the Fleet
9 Intelligence Officer on the staff of the Commander Seventh
10 Fleet; attendance at the National War College; Executive
11 Assistant and Senior Aide to the Vice Chief of Naval
12 Operations; Assistant Chief of Staff for Intelligence to the
13 Commander in Chief, U.S. Pacific Fleet; director of Naval
14 Intelligence; and Vice Director for Plans, Operations and
15 Support of the Defense Intelligence Agency.

16 As you know, since 5 July 1977, I have had the pleasure
17 of serving as Director, National Security Agency.

18 Although my current assignment has involved me heavily
19 in the collection and production of intelligence
20 information, the majority of my experience during 21 years
21 of service in the field of intelligence has been as an
22 analyst and as a manager. The variety of my assignments has
23 provided me with a unique perspective on the need to balance
24 the production and analytic facets of the intelligence
25 mission and to provide for the needs of the nation's

1 policymakers both in the Executive and the Congress, and the
2 needs of the military forces.

3 I am in complete agreement with Mr. Casey in his
4 statement to this Committee that it is vital that this
5 nation have a strong and effective intelligence organization
6 with a wide range of capabilities and the flexibility to
7 adapt and focus them on whatever exterior threats or
8 problems confront the nation.

9 The Chairman. Thank you, Admiral.

10 Senator Inouye, we'll start with you for questions.

11 Senator Inouye. Mr. Chairman, thank you very much.

12 Before proceeding with my questions, I'd like to join
13 your very eloquent statement regarding our nominee. It has
14 been my pleasure to work with Admiral Inman and I think the
15 Administration should be commended for this choice.

16 Admiral, in the past military officers who held the
17 post for which you have been nominated have performed a very
18 limited role, particularly with respect to the Central
19 Intelligence Agency. Now what is your understanding of the
20 duties and responsibilities that you will fulfill as Deputy
21 Director of Central Intelligence?

22 Admiral Inman. Senator Inouye, as you know, the
23 National Security Act provides for a Deputy Director of
24 Central Intelligence, but it does not prescribe specific
25 duties. In discussing with Mr. Casey his desire that I

1 undertake these duties, it is my understanding that he
2 expects me to be the statutory Deputy in every respect.

3 In examining how he will divide those responsibilities
4 day by day, for emphasis, he has indicated his desire that
5 we share in his number one priority of starting to improve
6 the quality of intelligence available and particularly the
7 estimative functions. He will concentrate to a substantial
8 degree on the covert operations, clandestine collection
9 sides of the business. And he has expressed a particular
10 desire that I concentrate on community affairs, budget
11 accounts, resource allocation, the technical side of the
12 business.

13 Senator Inouye. Have these duties and responsibilities
14 been agreed to by the President?

15 Admiral Inman. It is my understanding they have been
16 agreed to by the President.

17 Senator Inouye. It has been suggested that the
18 Committee has not been very successful in its efforts to
19 strength United States intelligence through the budget
20 authorization process. As a former program manager who has
21 been intimately involved with the Committee on these
22 matters, how would you characterize the Committee's record
23 in this regard?

24 Senator Inouye. Senator Inouye, that is one on which
25 in a closed session I could be very specific and direct; but

1 in an open session, because the figures, the numbers, the
2 statistics are classified, you'll forgive me for falling
3 back on some generalities.

4 When this Committee came about, we had gone through
5 about eight years of drawing down manpower all across the
6 intelligence community, just as you really settled into
7 operation with the new Administration. The concentration
8 was more on saving expenditure dollars.

9 It was my experience throughout the four years that
10 this Committee constantly pressed on the Administration the
11 question of the adequacy of the intelligence assets. You
12 added a little from time to time, which is not always the
13 easiest process when the Administration is not particularly
14 willing to have extra money added.

15 We collectively have a long way to go, I believe, to
16 build the intelligence capability this country needs for the
17 decade out ahead. If the Committee sustains the approach to
18 that problem they've brought through the last year and they
19 can help reorient the way the Executive Branch deals with
20 it, I believe we've got a good chance of dealing with those
21 problems.

22 Senator Inouye. During Director Casey's confirmation,
23 he indicated that both he and the President were supportive
24 of strong Congressional oversight of U.S. intelligence
25 activities. Admiral, do you foresee any problems or

1 difficulties in abiding by the spirit and intent of the
2 intelligence oversight provisions enacted by the Congress
3 last year?

4 Admiral Inman. Senator Inouye, I do not. I recognize
5 that a lot of negotiations and a lot of anguish went into
6 finding the exact words that went into that Act. The
7 Executive Branch was particularly concerned to get in some
8 of the preambular clauses, and the Committee the text that
9 followed.

10 There may well be areas on which I have no experience
11 that will cause me to rethink my past experience. But I
12 have never found an instance in these six years in which we
13 have been doing business in which I could not find a way to
14 keep the Committees fully and completely informed. And I
15 have in turn found that I have benefited in each of three
16 assignments by the support that I have drawn in return.

17 Senator Inouye. Would you say that you are satisfied
18 with the current relationship that we have, the oversight
19 relationship?

20 Admiral Inman. Senator Inouye, I believe the U.S.
21 intelligence community is substantially better off than it
22 was before this relationship was established. That is
23 because you had no way to come and bring your case to the
24 Hill. The intelligence community had no constituency in the
25 Congress in any kind of organized way to support the need

1 for a strong, healthy, viable intelligence structure.

2 The other side of that coin is that one must have an
3 absolute sense of confidence that security will be
4 maintained for not only the substantive intelligence, but
5 even more critically, the sources and methods information
6 that must be shared in the process of budget authorizations
7 and enactment.

8 I do believe the standard you set as the Chairman in
9 starting this Committee struck exactly the right note. I
10 have not been reluctant to bring to this Committee in the
11 past my concerns, if I had concerns, for the handling of
12 classified information. I will not be reluctant to do that
13 in the future.

14 The record that I have had is that the Committee has
15 always been very responsive. Both of the two previous
16 Chairmen, the Vice Chairman during his four years and now
17 taking it up, have always been very responsive to my
18 concerns when we need to examine whether or not leaks or
19 mishandlings came from this Committee.

20 If I had been as successful in the Executive Branch, I
21 would be much more comfortable about the protection of our
22 secrets today.

23 Senator Inouye. Do you have any suggestions as to how
24 we can improve this relationship?

25 Admiral Inman. I have none to volunteer at the

1 outset. I hope we can maintain a close working
2 relationship. There will be times when we will need to
3 compartment even amongst ourselves. That sometimes will be
4 distressing to the staff, as it has been and as it is to our
5 staffs in the Executive Branch when we must do that.

6 But the essence of the relationships is to make sure
7 that we do continue a dialogue constantly about all of our
8 problems.

9 Senator Inouye. Thank you very much.

10 As our Chairman indicated, you had my vote before you
11 were nominated.

12 The Chairman. Thank you.

13 I might say, this room has not been swept, so please be
14 careful in asking questions that you don't get into the
15 never-never land.

16 Senator Leahy -- I mean Senator Garn.

17 Senator Garn. We have similar hairlines.

18 (Laughter.)

19 Senator Garn. Thank you, Mr. Chairman.

20 Admiral Inman, I think everybody shares the views that
21 have already been expressed. I personally have had the
22 opportunity, as a charter member of this Committee, to work
23 with you over a period of several years now, and of all the
24 witnesses that have appeared before us, most of them in
25 executive or in closed session, I will say to you personally

1 and publicly that you have been the most forthcoming witness
2 before this Committee of all the witnesses that we have had,
3 the most direct at all times, without ever hedging your
4 opinions or worrying about any politics of the situation.
5 So I commend you for that.

6 There is no doubt in mind in your position that you
7 will continue that openness and directness that has
8 certainly helped us on this Committee in our work to have
9 that kind of responsiveness.

10 So I too join in strongly endorsing your selection.
11 And I can think of no one better to have been nominated by
12 the President for this position.

13 And in the interest of time, Mr. Chairman, I have a
14 further prepared statement and I would ask unanimous consent
15 that the remainder of it be placed in the record.

16 The Chairman. Without objection.

17 (The document referred to follows:)

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1 Senator Garn. Admiral, I recognize that here in open
2 session that what you said to Senator Inouye, that you
3 cannot answer in detail, and I do not expect you do. I do
4 expect only some general answers.

5 What do you believe are the most significant problems
6 facing the Central Intelligence Agency and the intelligence
7 community in general today?

8 Admiral Inman. Senator Garn, I can speak with some
9 greater precision about the broad terms of the intelligence
10 community, and I hope in a few months to have the same
11 degree of confidence in speaking about the internal problems
12 of the Central Intelligence Agency. It simply has not been
13 possible in previous assignments to delve into their
14 problems inside the Agency to the degree that I would hope
15 to do.

16 I would put our number one problem as manpower. My
17 perception is that we have, for various reasons, either due
18 to the drawdown from the Vietnam time, followed by a trading
19 off of manpower to pay for new technical capabilities, to
20 drawing down covert operations capabilities -- but we have
21 collectively, through all of this, reduced very
22 substantially the manpower applied to the U.S. intelligence
23 effort. But the investment in technology and communications
24 and computer capabilities have offset that reduction and in
25 fact have done some great things for us in some areas.

1 But it is a manpower-intensive industry and there are
2 no substitutes for analysts who understand the cultures, the
3 politics, the economics, the internal security, the military
4 capabilities of countries in keeping this country and its
5 policymakers and its military leaders abreast of the
6 problems they're going to face day by day.

7 I believe we have some substantial expansion to do in
8 the depth of our coverage of events in the world. We all
9 need to try to do better to express what we know to users in
10 a way that is useful, not for the convenience of the
11 intelligence community. That can only come about by
12 creating a very good dialogue with the users and to get them
13 to be much more specific. Hopefully, we can be successful.

14 Senator Garn. How would you characterize the track
15 record of the intelligence community over the last several
16 years in assessing the Soviet threat?

17 Admiral Inman. We have on rare occasions
18 overestimated, and on many more occasions proven to have
19 been conservative. The pace of the Soviet momentum, the
20 sustaining momentum of investment, has consistently been
21 underestimated.

22 There is a great proclivity to mirror image, to view
23 the Soviets from the light of how we address problems or
24 deal with them. And we constantly have to be brought back
25 to the center line, to examine what we see happening, and to

1 try to put that in some context of what their capabilities
2 are and what their desires are and what their intentions
3 are.

4 But the track record -- and there are some open source
5 studies, Volstead or others -- would confirm that we have
6 erred substantially more on the conservative side in dealing
7 with that threat than in overestimating.

8 The image that has been current in the media of
9 overestimating the threat for budget purposes is just flatly
10 wrong.

11 Senator Garn. That has been my experience, not only as
12 a member of this Committee, but as a former member of Armed
13 Services and a current member of the Defense Appropriations
14 Subcommittee. We have constantly been told that Joint
15 Chiefs of Staff, the service chiefs, the intelligence people
16 have constantly come before the Committees of Congress
17 overestimating the Soviet threat in order to increase the
18 military budget, and that the old, the Russians are coming,
19 the Russians are coming, and they never come.

20 But that is not true. All of the assessments that I
21 have seen are just exactly in line with what you have just
22 testified, that those estimates, the posture statements
23 every year from the Joint Chiefs of Staff, have almost
24 entirely underestimated the Soviet buildup and the Soviet
25 threat.

1 And so my next question would be: How do you intend to
2 proceed in your new position to get accurate,
3 straightforward assessments of the Soviet threat, where the
4 track record, as you say -- and I agree with you -- has been
5 of consistently underestimating that threat?

6 Admiral Inman. Senator Garn, I should have responded
7 to Senator Inouye earlier, on the question on the definition
8 of my duties, that I recognize that I am being appointed as
9 the Deputy DCI, and that it is not a du-umvirate, in that we
10 don't share the responsibilities. It is my job to persuade
11 the DCI how I think we ought to go.

12 In our brief discussions thus far, he has very clear
13 thoughts of his own about how he wants to proceed in this
14 process. And I would not want to oversimplify. And again,
15 in an open session it is a tough one to be specific.

16 Let me say that we both bring to this problem the
17 approach that you are better served by trying to put up the
18 facts that you know, to try to make clear the assumptions
19 that you are bringing to the table, to make sure that you
20 put out the assumptions that the different players bring and
21 try to explain why, and then put forth your projections.
22 But don't try to spend endless periods of time polishing
23 words and searching for the right word to captivate -- in
24 this case, it is one that I would rather give them more
25 knowledge than less.

1 Senator Garn. Just one more question, Admiral. What
2 are your views concerning the adequacy of our current
3 counterintelligence capability?

4 Admiral Inman. Senator Garn, that is probably the
5 question approaching about which I have the least
6 knowledge. The only counterintelligence practical
7 experience I've had thus far has been as the Director of
8 Naval Intelligence, I was also commander of the Naval
9 Intelligence Command, and the Naval Investigative Service
10 was one of my subordinate elements. We had a very small
11 counterintelligence activity. It was good, but not large.

12 It is an area that I would hope to study thoroughly in
13 the near term. I have a perception that it is both
14 undermanned and probably the one area that really is
15 handicapped by restrictions and procedures.

16 Senator Garn. Thank you very much, Admiral. I
17 certainly look forward to working with you.

18 Admiral Inman. Thank you.

19 The Chairman. Senator Tower, we certainly welcome you
20 and invite you to introduce your fellow Texan. He's already
21 been introduced, and I will ask unanimous consent that your
22 introduction appear at the proper place.

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1 STATEMENT OF THE HONORABLE JOHN TOWER,

2 UNITED STATES SENATOR FROM THE STATE OF TEXAS

3 Senator Tower. Thank you very much, Mr. Chairman. I
4 apologize for being late. I was presiding over a meeting of
5 the Republican Policy Committee, and the subject was the
6 debt ceiling, a matter on which there seems to be somewhat
7 more than casual interest among Republicans.

8 I am delighted to support the nomination of my fellow
9 Texan, Admiral Inman. He was born down in Rhonesboro,
10 Texas. If you don't know where that is, that's in Upshur
11 County, near Gillman.

12 (Laughter.)

13 Senator Leahy. Now I remember where it is.

14 Senator Tower. And anybody from that far back in the
15 sticks can't be all bad.

16 Admiral Inman, of course, has been in the intelligence
17 business for a long time. He comes highly recommended. I
18 think he's an excellent choice as DDCIA.

19 I might note that this morning the Senate Armed
20 Services Committee reported favorably his promotion to full
21 Admiral of the United States Navy. I believe that that
22 nomination was erroneously reported to your Committee.
23 Knowing your disposition to the Navy, I reclaimed that
24 jurisdiction very quickly. And I am delighted to report
25 that he has been reported favorably to the Senate.

1 The Chairman. Thank you, Senator Tower.

2 Congratulations, Admiral.

3 Admiral Inman. Thank you, Mr. Chairman. Thank you,
4 Senator.

5 The Chairman. It is a rank well deserved. And if the
6 man who just introduced you lives long enough, he might make
7 it himself.

8 Senator Tower. Mr. Chairman, resisting the temptation
9 to comment on your unseemly remarks --

10 (Laughter.)

11 Senator Tower. -- I'd like to ask unanimous consent
12 that my full statement appear in the record at the
13 appropriate place.

14 The Chairman. Without objection, so ordered.

15 (The complete statement of Senator Tower follows:)

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1 Senator Leahy. Thank you, Mr. Chairman.

2 I too join in the congratulations for the extra star.

3 It is well deserved.

4 I have a feeling, Admiral, that everybody who might be
5 up for confirmation this year would be delighted to trade
6 places with you. You will, I suspect, survive the tough,
7 hard cross-examination of this Committee and will probably
8 be able even to predict how, following hours of debate, we
9 will vote on your confirmation.

10 I too would join my colleague in saying I think the
11 President has made a fine choice. I am delighted, as you
12 know. And I discussed this with you one other time, saying
13 that I hoped that that is a position you would be in and be
14 able to serve your country in that position. And I am very
15 pleased that you are.

16 In answer to a question of Senator Garn's, you said
17 that the number one problem is manpower. And I realize it
18 is an extremely broad question, asked broadly in open
19 session, and perhaps seeking a broad answer in open
20 session. But have we, with all of our technological
21 abilities, abilities to listen in on through, have we
22 somehow built up kind of a myth that everything can be done
23 by machines out here?

24 Might we be overlooking -- might we not be leading
25 ourselves into somewhat too comfortable a trap of feeling

1 that the machines can do all of our analyses, and also that
2 they may be able to totally replace people in the field?

3 That is an overly broad question, I understand.

4 Admiral Inman. Senator Leahy, I would put a slightly
5 different spin on the problem. In the press of business in
6 an Executive Branch, intelligence matters, intelligence
7 resources, intelligence capabilities simply fall way down
8 the scale of day by day events.

9 It rarely merits attention or extensive debate at the
10 level of the President or even the senior advisers. It has
11 been my experience in these past four years that I have had
12 a great deal more time from the members of the two Select
13 Committees, some of the members of the two Select Committees
14 actually visiting my headquarters or my installations, than
15 with anyone in the Executive Branch above sub-Cabinet
16 level.

17 I think out of that process, it is simply less
18 pressing, less worrisome. A presumption that if you're
19 getting a flow of information day by day on your current
20 problem, the capabilities must be there.

21 In going back and analyzing sort of how we got where we
22 are, there were conscious decisions. There were new
23 capabilities that could be had by using some very advanced
24 technology. The decision at that point in time, with great
25 pressures of budget for Vietnam, was to pay for it, rather

1 than by adding funds, to trade off manpower.

2 And different kinds of individual actions led to those
3 kinds of decisions. Technology does do great things for
4 us. We are probably better at indications and warnings for
5 our principal adversaries than we have ever been. It is for
6 the bulk of the rest of our problems, for understanding the
7 small and sometimes not so small political and economic
8 crises, terrorism, other things, that we are far less
9 prepared, I believe.

10 And in many cases those come from, the ability to deal
11 with them, come from the depth of our understanding on
12 individual countries. That reporting isn't just based on
13 what we get out of the intelligence community. In large
14 measure, that's reporting that we get from the State
15 Department, from the Foreign Service. So it's the quality
16 and caliber of our understanding of many countries that
17 impact on it.

18 I apologize, I'm giving sort of long-winded answers.
19 I'll try to cut them shorter.

20 Senator Leahy. Well, following up even on that, and
21 assuming that there are going to be budgetary restraints
22 this next fiscal year, how are we best to be in a position
23 to consolidate those areas where we know we are successful
24 and that we depend so much on, rather than starting a number
25 of new initiatives? Or can we do both? Do we need --

1 Admiral Inman. We have done a good job of
2 consolidating in the collection arena. I would urge
3 strongly that we not move for further consolidation in the
4 analytical area. I think we ought to go exactly in the
5 opposite direction and encourage as much good, strong,
6 competitive analysis as we can get. Because you are usually
7 dealing with shreds of information and your assumptions that
8 you bring to it can make a great deal of difference in what
9 you determine those pieces mean.

10 And let me refer a more detailed and responsive answer
11 to your question for the next time we gather in closed
12 session.

13 Senator Leahy. Thank you.

14 Thank you, Mr. Chairman.

15 The Chairman. Thank you, Senator.

16 Senator Chafee.

17 Senator Chafee. Thank you, Mr. Chairman.

18 I join in the delight of this Committee in the
19 selection of Admiral Inman for this post. He did an
20 outstanding job at NSA and we are so glad you can be doing
21 this.

22 You stated, in answer to Senator Garn's question, that
23 the most pressing problem was personnel. What can we as
24 Senators do to remedy this? Is it a question of money? Is
25 it a question of appreciation of the task that one is

1 undertaking? Is it a question of a shortage of trained
2 people that are motivated for this type of work? What can
3 we do?

4 Admiral Inman. It begins with billets, numbers of
5 people available. My experience has been that while there
6 may have been a dip in the middle 70's of people interested
7 in coming into this business, there are plenty of
8 high-quality applicants that are indeed interested in it.
9 We often can't find the skills that we need at the outset,
10 particularly with linguists, but we can find people with
11 linguistic aptitude who are willing to study.

12 It is going to be a long process. One cannot just
13 throw in large numbers of bodies immediately. The
14 capabilities of all the agencies to recruit, to train, to
15 use, will have to be built up.

16 But we can bring you, I think, a good viable program.
17 Obviously, there is the instant problem of the
18 Administration's desire, as with the past ones, to hold down
19 the total size of federal employment. I would hope that as
20 some programs are reduced perhaps we can have some redress
21 in this area in the national security account, which in fact
22 suffered a very major reduction while other elements of the
23 Government were growing larger in numbers.

24 Senator Chafee. Fine. Thank you.

25 The Chairman. Thank you very much, Senator Chafee. I

1 might comment that Senator Chafee was once Secretary of the
2 Navy.

3 Senator Wallop. He probably doesn't remember that.

4 The Chairman. He doesn't have to any more.

5 Senator Bentsen?

6 Senator Bentsen. Thank you, Mr. Chairman.

7 A number of us had some concern, of course, about the
8 analysis capabilities of the CIA and results. Did you have
9 any that you can speak of in an open meeting, any major
10 procedural changes to bring about in the CIA or its analysis
11 work that you bring from your experience with the National
12 Security Agency?

13 Admiral Inman. Senator Bentsen, from the way the
14 intelligence community has been structured and operates, I
15 have been fairly remote from the analysis efforts in the
16 other production agencies these last several years. I could
17 give you an impression, though, that from our efforts to try
18 to educate and expose young analysts coming into the other
19 agencies, particularly the CIA, with the particular help of
20 Bruce Clark, once he took his current assignment, we are
21 impressed with the quality and by their eagerness to learn.

22 But we have a generation gap here. We have in fact
23 lost, across the community, a lot of people who came in in
24 the 40's, who enjoyed the business and who stayed for a
25 career. A variety of reasons, pay inversion and others,

1 have caused large numbers to retire.

2 But we indeed have a building process, I think
3 particularly in the analytical area, to give them the time.
4 I have a sense that we need to expand the capability for
5 them to be promoted while staying in the same general area,
6 not to require them to move frequently on to managerial
7 jobs, in order for them to have a chance to be promoted, but
8 to offer the capability that deep expertise in a country or
9 a geographical area can also offer them a way to move up the
10 promotion ladder. And if we can achieve that, I think we
11 will help in improving the quality of the analytical
12 product.

13 Senator Bentsen. You were speaking of your limited
14 access in recent times to people above the sub-Cabinet
15 level. And then you referred to dealing often in shreds of
16 information. I get the feeling that there's a lot of
17 intelligence information that goes upstream, but often not
18 enough of it comes downstream for analysis purposes, when we
19 are talking about leaders of Government or people at the
20 Cabinet level dealing with their peers in other governments
21 and the difficulty of getting that kind of input to get back
22 to the analysis level.

23 Do you have any thoughts on that?

24 Admiral Inman. In my early years as an analyst it was
25 a continuing problem. I have no recent experience to say if

1 it still is, but I suspect that it still is. To some degree
2 that is how busy the individuals themselves are and the
3 degree to which they are accessible to be debriefed or to
4 pass on their understanding.

5 It has been my experience in these last three and a
6 half years that if events occurred in the outside world, I
7 could be attuned to them and respond and adjust things
8 pretty rapidly, and if it was planning on things going on on
9 the U.S. side I often trailed the action.

10 Senator Bentsen. I know something of the depth of the
11 work on economics done by the CIA, and we profited by that
12 on the Joint Economic Committee. But when you speak to the
13 manpower problems, I would hope that the economic section
14 would not be too isolated. There is such a great wealth of
15 information available that is being brought about by other
16 Government agencies, including what we have right here in
17 the Congress. I hope it could be collated perhaps more than
18 it has been.

19 Admiral Inman. In earlier closed sessions with this
20 Committee, the whole question of economic intelligence,
21 economic analysis, has been a subject of some exchanges that
22 several of us have had.

23 Again, with the constraints of the open session,
24 probably the best intelligence we have available currently
25 is in the military intelligence arena, and that comes from a

1 competitive analysis. And when I was a young naval
2 intelligence analyst I used to rail at the fact that the CIA
3 was also spending time analyzing my problem. But I have to
4 recognize that that probably spurred me to do a better job
5 than I otherwise would have done.

6 From my perspective, looking at these last several
7 years, where we have substantial competitive analysis I
8 believe the overall quality of the outcome is better. We
9 have not had much of that in the economic area because we
10 have not paid much attention.

11 There is another side to that, and one of the down
12 sides of the middle 70's and the investigation of abuses, of
13 both those that were valid and some that turned out not to
14 be. There was a great reluctance from the academic world,
15 from industry, from even other Government institutions, to
16 fully cooperate with the U.S. intelligence community. And
17 that has to be very high on the list of things we have to
18 reconstruct.

19 There is a great deal out in the open media and other
20 parts of the society that can help us better understand the
21 outside world to the degree that we need to know. And I
22 would hope that we can open some of those doors and get good
23 discussions going.

24 Clearly, part of that is the confidence on the part of
25 those with whom we deal that they will not be manipulated,

1 that they will not be subjected to being used without their
2 knowledge for collection purposes. And I hope we can find a
3 way through that maze.

4 Senator Bentsen. Thank you very much.

5 Thank you, Mr. Chairman.

6 The Chairman. Thank you, Senator.

7 Senator Lugar.

8 Senator Lugar. Thank you, Mr. Chairman.

9 Admiral Inman, I know very few people in this
10 Government that have as comprehensive an idea about what is
11 going on in intelligence, as well as what is going on
12 generally in the world, than you do. And I certainly ask
13 these questions having prefaced with that comment, because
14 it seems to me essential, if we can know, that the Committee
15 have some idea from any preliminary conversations you may
16 have had with this Administration as to, first of all, what
17 sort of access do you anticipate to have with President
18 Reagan himself?

19 Will you have regular briefings? Will there be
20 emergencies? Will there be intelligence passed to others?
21 Or can you characterize in any way your own perceptions of
22 how what is important for a Chief Executive to know might
23 reach him?

24 Admiral Inman. We have built up over the last several
25 years a process for flowing indications and warning kind of

1 information to a number of centers around this city and out
2 to commands in the field essentially simultaneously. That
3 includes the State Department, Defense Department, White
4 House, Central Intelligence Agency.

5 That flow goes on uninterrupted by changes in
6 Administration. Each Administration elects to find
7 different ways by which the Chief Executive is briefed.
8 There is an ongoing process of preparing a daily briefing
9 book for the President from the Central Intelligence
10 Agency. I don't believe that has been subjected to any
11 particular modifications yet, but it's pretty early.
12 Usually that occurs three to six months. They try the
13 products that are available to them and decide if they are
14 responsive to their needs, and if not then the alteration
15 process begins.

16 From my point of view, one of the great advantages of
17 the appointment of Mr. Casey as the Director of Central
18 Intelligence is the fairly established direct personal
19 relationship with the President that he brings to the job.
20 And that ought to be the best guarantee for the kind of
21 access to take problems as you recognize them and to not be
22 shunted off by others who might get in the way of being able
23 to tell the President what he needs to hear.

24 Senator Lugar. So that your access would come through
25 Director Casey?

1 Admiral Inman. Through Director Casey and acting on
2 his behalf when he is away.

3 Senator Lugar. And obviously your working relationship
4 with him is of the essence, and obviously it will be a good
5 one. He apparently has enthusiastically recommended you, as
6 has our Chairman, as have all members of this Committee. If
7 there was ever a time of unanimous consent and enthusiasm,
8 this would be it.

9 Admiral Inman. I hope we will be able to sustain that
10 enthusiasm over the next couple of years, as we face all the
11 challenges.

12 Senator Lugar. Are the other armed services people who
13 deal with intelligence equally enthusiastic? Or to phrase
14 it another way, what sort of relationship has been set up
15 between Mr. Casey and you and those of the other armed
16 services, as well as the Navy, who are dealing in
17 intelligence? This has been a problem that you perceived in
18 comments to us over the course of time that has given pause
19 to some people who have gotten into this field. And I am
20 just curious to know how it is progressing in this
21 Administration.

22 Admiral Inman. It is fair. And I am honest enough to
23 say that the pace of organizing all these various things is
24 very low. A lot of that is because I am not yet removed
25 from my current assignment. I would hope that March and

1 April would see the pace pick up very sharply.

2 I have over the years practiced a general theory of
3 conservation of enemies, that if you're spending a great
4 deal of time in fighting with people you are missing
5 opportunities to solve problems. Occasionally you will have
6 to get into fights when it is over matters of principle.
7 But one has to spend the time to seek the views of the other
8 managers in the intelligence community. It is a
9 time-consuming process.

10 As I had explained earlier, Director Casey has
11 indicated he wishes me to particularly concentrate in that
12 area. And I will hope to be able to build some better
13 bridges than we have had in the last several years.

14 Senator Lugar. Thank you very much.

15 Thank you, Mr. Chairman.

16 The Chairman. Thank you, Senator.

17 Senator Biden.

18 Senator Biden. Thank you, Mr. Chairman.

19 And I too add my voice to everyone else's. It's
20 getting to be awfully repetitive. I don't know of anyone
21 who has opposed and I don't know of anyone who is
22 unenthusiastic.

23 As a matter of fact, I shared the dais in my home state
24 as an invitee to the Chamber of Commerce, and the main
25 speaker was former General Keegan, retired General Keegan.

1 It worried the hell out of me, he liked you too. He said
2 you were the only one, he said, in the entire intelligence
3 community that was competent.

4 (Laughter.)

5 Senator Biden. Based on that, I have reassessed my
6 position.

7 (Laughter.)

8 Senator Biden. And by way of an informal opening
9 statement and closing statement, it is not merely your
10 technical expertise which is immense, but in dealing with
11 you and through you over the past several years since the
12 inception of this Committee I have been impressed with your
13 sense of balance, your sense of history. And there are not
14 a lot of people in your business or any other business that
15 possess both those qualifications.

16 And I can think of no place where a sense of both
17 balance and history is more important than the job that
18 you'll be assuming. So I have -- I'm enthusiastic about
19 your appointment. I would like to ask you a couple of very
20 specific questions, if I may, for the record.

21 You have already begun -- and I apologize for being
22 late. Apparently, Senator Garn asked you, as I picked up
23 from subsequent questioning, what you thought the most
24 important problem facing the Agency was, the intelligence
25 community generally.

1 If I can attempt to be a little bit more specific than
2 that, and if you've already covered this tell me and I will
3 read it in the record and go on to my next question. As a
4 producer of intelligence, as you have been, what do you
5 believe are the principal strengths of the major pieces of
6 finished intelligence that are generated by the community,
7 and then the major weaknesses, if you will? In other words,
8 where --

9 Admiral Inman. To some degree, Senator Biden, I have.
10 But let me try to summarize quickly back. On current
11 intelligence, we're very good. On counting things and
12 numbers, we're outstanding. On indications and warnings, on
13 balance against the major worries, the record is
14 impressive.

15 In assessing where events are going, we do less well.
16 And there are many areas that we simply do not cover at all
17 or cover only with the thinnest margin. And many of our
18 surprises come from those areas.

19 If one believes that the 80's are going to be
20 characterized primarily by strife in the central front of
21 Europe, you can sort of relax; we're in great shape. If you
22 believe it is more likely to be characterized by a great
23 deal of difficulty and competition for raw materials,
24 natural resources, instability in underdeveloped areas of
25 the world, and being drawn into those both by opportunism by

1 our principal adversaries and by our own difficulty in
2 trying to protect our interests, then we are far less well
3 ready for it, both from our collection of a whole variety,
4 human as well as technical means, and the analytical staff
5 to really sort through, sift, examine, understand.

6 Particularly in areas like linguistics. Linguists are
7 a very major problem, a shortfall.

8 Senator Biden. So in terms of -- if we can break down
9 the difficulties as they relate to collection, in the latter
10 category that you mentioned, that is in the areas of
11 essentially the Third World areas, I would assume that you
12 are making reference to, although not exclusively, is the
13 analytical capability, improving that, a higher priority
14 than the actual collection apparatus, whether it be human or
15 technical?

16 Admiral Inman. To some degree, there are some
17 misunderstandings, some myths afloat that we collect vastly
18 more than we can analyze, that we have a vast stock of
19 material lying around that we don't -- in fact, you don't
20 know where the problems are going to come, and you won't
21 know until actually after you have accessed whether there is
22 going to be information there that will be of intelligence
23 value in a great many cases.

24 So you're always going to collect somewhat more than
25 you will end up analyzing and reporting. I will make a

1 judgment for you that some additional collection, not all of
2 it necessarily against the intelligence community budget --
3 some of it is in the Foreign Service and the President's
4 report and Treasury and the other Departments, to help you
5 understand other countries and what is going on inside. But
6 some improvement in that collection capability, some overt,
7 some clandestine, some improvement in technical collection
8 against areas that are not now covered or are marginally
9 covered, and some improvement in the analysts area and in
10 the analytical area.

11 I believe the needs are greater in targets not now well
12 covered.

13 Senator Biden. I would share your view on that. But as
14 Senator Inouye will recall -- he was the founding father,
15 the founding Chairman of this Committee -- in one of the
16 debates we had at the outset among those of us, many of whom
17 are still on the Committee, it was the competence of, the
18 quality of the information received from the field by the
19 agent in place or the agent sent.

20 And it was facetiously suggested by me at the time in
21 the original hearings with Admiral Turner that I thought
22 maybe what we should do is send an agent back to his home
23 Congressional District and have him analyze the
24 Congressional election, and if he showed a lack of
25 competence in analyzing that then we sure as hell shouldn't

1 send him out to Xanadu or wherever, where he obviously had
2 much less background.

3 So although it was stated at the time facetiously and I
4 restated it in a somewhat facetious manner, I really hope
5 and believe that you, at least in a general sense, share
6 that concern about the ability of the personnel put in
7 place. My very limited experience with the community is
8 that, not at all unlike many of us in the Congress -- I'll
9 take myself in particular -- who in the area of foreign
10 policy, for example, we tend to be the products of our
11 education.

12 I'm a real Anglophile. I look at everything in terms
13 of how we're affected by Europe. I consider myself as
14 having some knowledge, after eight years, about the Soviet
15 Union and our bilateral relations with them and with
16 Europe. But I must acknowledge, on our back door, where
17 things may blow up any minute, I have had precious little
18 involvement.

19 And it seems to me that an awful lot of the community
20 is a product of that same kind of myopic vision. We know a
21 lot less about what are increasingly more important parts of
22 the world, the cultures, the background, the religion, the
23 language. And I know from my discussions with you in the
24 past -- and I don't want to put you in a box and suggest
25 that you share the exact same view -- I know that that is

1 something that you have some concern about.

2 And I am looking forward to your attempts to --
3 "rectify" may be the wrong word, but to improve the
4 capability.

5 As you know, when we talked, those of us on this
6 Committee, talked to you and others about technical
7 requirements and capabilities and dollars, you have found
8 that this Committee has been at a minimum forthcoming and on
9 many occasions has been anxious to move along even faster.
10 And I do not, obviously, speak for such a varied array of
11 personnel on this Committee, but I suspect you will find
12 that we are as enthusiastic in your new responsibilities in
13 helping you, including budgetary questions, if that need
14 be.

15 Two more questions, Mr. Chairman, of a substantive
16 nature.

17 If I may shift in gears, Admiral, to domestic aspects
18 of CIA activities and intelligence community activities,
19 the outgrowth of a number of investigations was that we
20 have, through two Presidents, one Democrat, one Republican,
21 through two Committees, one no longer in existence, one
22 presently continuing in existence, and several Congresses,
23 gradually honed down in a fairly precise way what activities
24 were permissible for the foreign intelligence apparatus of
25 our intelligence community, which are by and large CIA, can

1 be involved in with regard to American citizens, the
2 so-called rights of Americans.

3 And I -- as you know, there are executive orders that
4 cover that area. And I note from your statement you saw no
5 need -- and I am paraphrasing -- for a major overhaul in
6 various areas, a fine-tuning of these guidelines, especially
7 detailed procedures to implement those guidelines may be in
8 order. However, on the whole the guidelines of the Foreign
9 Intelligence Surveillance Act have evolved a system that
10 provides procedural protection for the rights of individuals
11 and flexible guidelines for intelligence agencies.

12 Would you care to or be able to elaborate on that
13 aspect of your statement?

14 Admiral Inman. Senator Biden, on the foreign
15 intelligence collection, it's been my experience that, while
16 we have had to add a few more lawyers to the staff and
17 upgrade the quality of the lawyers, we have been able to
18 operate, I believe effectively, in collecting the necessary
19 foreign intelligence while being absolute in our protection
20 of the rights of U.S. citizens.

21 The area about which I have no current knowledge or
22 expertise is the area of counterintelligence. It is an area
23 which I will want to examine early on, first to try to
24 understand what is the extent of the counterintelligence
25 threat that we now place. This is a problem that faces

1 Judge Webster far more than it will me. But CIA does have a
2 supporting role that we have to play in that.

3 But to understand to what degree the current
4 restrictions impact on that ability to deal with things like
5 the terrorist threat, there may be some modifications that
6 are required. I have a sense that it is more a question of
7 how one applies the rules.

8 We have sometimes experienced very great bureaucratic
9 resistance inside the Government to use the authorities
10 which are clearly agreed to by this Committee and in the
11 law. So I would like to begin by trying to overcome and
12 remove some of those existing bureaucratic problems before I
13 decide that one also needs to throw out the restrictions.

14 We did have problems earlier that brought the U.S.
15 intelligence community into substantial disfavor. That
16 translated itself into a lack of support in a great many
17 ways and it clearly impacted on our ability to get on with
18 doing the job we need.

19 I would not elect to carelessly walk away from what we
20 have carefully crafted together to provide protection and
21 assurance to the public. These rules are to protect U.S.
22 citizens, not anyone else. But we will protect those and
23 continue to do it.

24 Senator Biden. I compliment you on that answer and
25 would commend to your reading consideration the report which

1 we wrote on so-called gray mail. And we found just what you
2 suggest, that although there was a great deal -- at least
3 the law is passed. The majority believed my position is
4 correct. It became law. And the Agency acceded.

5 We found that much of what was viewed as impediments
6 thrust upon the community as a consequence of
7 constitutional bulwarks which were keeping them from being
8 able to do their job turned out to be a great deal of
9 bureaucratic mishmash.

10 We found that unless the agency asked the precise
11 question the Attorney General's office wouldn't move
12 forward. We found out that the FBI wouldn't talk to the CIA
13 and the CIA didn't talk to DEA and DEA wouldn't talk to
14 whatever.

15 And one of the reasons -- and I will cease, Mr.
16 Chairman, because I have had so many opportunities, I've
17 bent the Admiral's ear so many times over the past several
18 years that I have a very solid basis upon which to base my
19 judgment of him.

20 But I think it's important to point out that the reason
21 why, for this one Senator, I am so pleased with your
22 appointment is that you are one of several people who does
23 not find themselves getting all bound up in ideological
24 debates and who is very -- if you don't mind the
25 characterization -- very practical and very pragmatic. And

1 you have led us through a number of thickets here on this
2 Committee with regard to everything from our ability to
3 verify the SALT treaty straight through to our view on a
4 number of other complicated issues.

5 The Chairman. Would the Senator yield to the Vice
6 Chairman?

7 Senator Biden. I would yield the floor.

8 The Chairman. No, I'm sorry. I thought you wanted
9 --

10 Senator Biden. I just wanted once again to commend
11 your approach to problems. I guess it's a little
12 overreaching on my part, but I commend your approach to
13 solving problems to your superiors and those who will work
14 with you, because you approach things in a way that I think
15 makes a great deal of good sense.

16 I would like very much -- I'm going to submit for the
17 record, if I may, without taking any more time, because I
18 have a sense of knowing where you are, but I would like to
19 ask you some questions about the Freedom of Information
20 Act. I realize that is not in your bailiwick now, as it
21 will be.

22 There's a great furor about how much it gets in the
23 way. I have doubts about whether it does or doesn't. But
24 I, believe it or not, have a fairly open mind on the
25 question.

1 And also, one question relates to the proposals that
2 surface now and again -- and I think they are surfacing now
3 again -- to in effect put together what used to be referred
4 to as the old Fed-net proposal. And that is, essentially
5 get every agency from NSA to FBI to CIA to the IRS and
6 funnel in all information into and be able to take it out
7 through one computer terminal.

8 It scares the living hell out of me, that prospect. I
9 would ask you, although I do not have a specific proposal to
10 ask you to comment on, I would ask you as you pursue your
11 job if you'd be willing to speak to the Committee about your
12 views on that very, very awesome subject. It could be
13 awesomely beneficial, it could be awesomely dangerous.

14 Admiral Inman. Thank you.

15 Senator Moynihan. Mr. Chairman, I'm going to put it to
16 you straight. Can you spell the name of the Prime Minister
17 of Sri Lanka?

18 (Laughter.)

19 Admiral Inman. Courtesy of the great support I have
20 always enjoyed from this Committee, J-e-y-e-y --

21 (Laughter.)

22 Senator Moynihan. Thank you, Admiral.

23 The Chairman. Senator Wallop?

24 Senator Biden. He's tough, Admiral.

25 Senator Wallop. Admiral, I won't be repetitive. I'll

1 simply add my remarks to those that the others have made
2 expressing my admiration on the job that you have always
3 done with us and appreciation for the opportunity I had
4 yesterday to meet with you.

5 And I only have one question. But one of the nice
6 things that happens in a confirmation hearing revolving
7 around the intelligence community, it's one of the few
8 opportunities we have to meet in open session and one of the
9 few opportunities we have to inform the country of the
10 existence of an intelligence community.

11 But you spoke more than once this afternoon quite
12 eloquently of the troubles of the 70's, of the lack almost
13 of an entire generation of people, and the reluctance of
14 people to participate in the intelligence activities of the
15 country, including some segments of our own Government.

16 I wonder if you would, just for the benefit of those
17 who may be watching on C-span and those who might be sitting
18 in the audience and those who might accidentally come across
19 the record of this hearing, explain to a free country why it
20 has a need for an intelligence community.

21 Admiral Inman. It would be nice if it were a totally
22 open world and it understood our interests and fully
23 supported them. But the facts are a great deal different.
24 There's been an explosion of information around the world
25 and the means to move that information. But the practical

1 fact is that we have found increasingly countries
2 withholding information, not sharing, making it increasingly
3 difficult to acquire that information.

4 Further, our interests, in a world that moves so fast,
5 can be impacted almost any place at any time. It is no
6 longer the happy stage where oceans protect us and
7 slow-moving mail made events much slower to creep into the
8 family's house. In this fast-moving world, you are only
9 going to make smart decisions if you understand the events
10 that are unfolding.

11 And it has to be more than just the facts at the time,
12 but rather, there has to be a setting. What is the
13 environment of the country. What are the cultural
14 cross-currents. What is the military capability. Even, if
15 you can be lucky enough to find out, what are the intentions
16 that are involved.

17 We are not held in the awe that we were held in 30
18 years ago as a country. There are also those who see taking
19 a poke at the superpower as a favored means of
20 entertainment. We have a vastly larger number of things
21 that this country and its decisionmakers need to be informed
22 about day by day if we are going to provide the leadership
23 that we need to provide to the free world and if we are
24 going to use our assets and resources in any kind of an
25 intelligent way.

1 It is foolhardy, in that prospect, it seems to me to
2 look at your intelligence capabilities from a point of view
3 of how can you save money or what can you avoid spending.
4 It's rare that we are handed a complete understanding of
5 evolving events. We get bits and pieces of information, and
6 to the degree to which you have a background in which to put
7 that, knowledgeable people to make quick analysis and
8 explanation of what it means, the country has a better
9 prospect of using its full capabilities in a smarter way,
10 whether those are simply political decisions or whether
11 sometimes they have to turn out to be military.

12 That is not a very eloquent answer. I wish I had
13 thought about it more earlier.

14 Senator Wallop. What it is, maybe the country doesn't
15 realize that we need intelligence for peaceful purposes as
16 well as for defense and defensive purposes. And I thank you
17 for the answer to that.

18 The Chairman. If the Senator would yield, the vote on
19 Mr. Donovan is called for 3:30 and --

20 Senator Wallop. I'm through.

21 The Chairman. I'd like to ask you if it is permissive
22 with all of you -- Senator Moynihan hasn't asked questions
23 yet -- if I could ask unanimous consent, before you all go
24 to vote. I'd like to report the Admiral so we can get him
25 on board, so to speak, this week.

1 Senator Wallop. I think there are still a few doubts
2 around the table.

3 (Laughter.)

4 The Chairman. We can take care of them.

5 Senator Durenberger?

6 Senator Durenberger. Thank you. I will be brief.

7 Congratulations. Thank you. I was one of those who
8 took the advantage of my first two years to get to know you
9 as a person rather than as an administrator. I have been in
10 your debt for that opportunity, and it's been a great help
11 to me. And I'm obviously pleased with the President's
12 selection.

13 Let me ask you just one question. I understand that in
14 my absence, when I was covering my hospital administrative
15 sector, you made some reference to adequacies and
16 inadequacies of our capabilities to analyze what is going
17 on. And as you know, one of the several things that has
18 bothered me is the whole issue of language.

19 And just one little quote from the Perkins Commission
20 report illustrates the seriousness of my question, and that
21 is -- and I'm talking about a national security need for
22 what the Commission quotes as "far more reliable capacities
23 to communicate to allies, analyze the behavior of potential
24 adversaries, and the trust and sympathies of the
25 uncommitted."

1 Yet there is a widening gap between these needs --
2 you've probably illustrated that in your discussion of the
3 Third World -- and the American competence to understand and
4 deal successfully with the other peoples of the world.

5 From your experience, what would you say is the current
6 state of American capability to understand foreign
7 languages? Do you have any ideas about what should be done
8 about it and what role the Department of State and the CIA
9 should play in promoting interest in such a greater
10 capability?

11 Admiral Inman. Senator, I have some strong views on
12 the topic, which may not be shared by a lot of others: that
13 our condition is poor and steadily getting worse. We
14 benefit from having a country where we don't need a second
15 language to do business on a daily basis. But the result
16 has been a variety of changes in the educational system, a
17 steady deterioration in language education in this country.

18 We also have lost the large input of second generation
19 Americans where another language was spoken in the home and
20 you could get a ready base of people quickly when you needed
21 it.

22 As I said earlier, I found in my own past duties that
23 we can find plenty of people with language aptitude who are
24 willing to and eager to seek employment with the
25 Government. But you've got to spend a good two years in

1 training them after you get them.

2 I am not persuaded that we are doing an optimum job of
3 training those we get or that the current procedures, at
4 least within the Department of Defense structure, are very
5 good. The Defense Language Institute is getting old and I
6 do not see it being upgraded or being given the degree of
7 attention that I believe the whole problem needs.

8 I think we're ultimately going to have to reach out to
9 approach this problem in a different way. I believe this is
10 indeed an area where -- you know, I am always reluctant to
11 recommend further Government intrusion out into the private
12 sector. But I think this is an area where we need to
13 sponsor foreign language training in universities.

14 I would be willing to gamble training many of the
15 Government linguists on the academic side. You'd give job
16 opportunities for graduate schools, for linguists pursuing
17 advanced degrees. We now don't have an opportunity for
18 that.

19 There are probably difficulties with that. But somehow
20 we've got to find a way to spur a substantially larger study
21 opportunity in the university. We've got to put some
22 premiums on these people.

23 I have difficulty with English. I have no other
24 language capability. So there's a certain cynical element
25 on my extolling on the needs in this case. I use other

1 people with language capability.

2 But we have to provide them with greater incentives to
3 study. We have to provide them with rewards. They have to
4 be able to get promoted to higher levels in keeping their
5 language skills.

6 And we have to orient ourselves, I believe, in the
7 whole national security account that the esteem for an
8 ambassador and his entire staff, including his intelligence
9 agencies, is based not on how many billets were reduced to
10 satisfy to a mode ceiling, but rather how well they
11 understand all the events in that country and how
12 effectively they report on that for the rest of us to use.

13 Senator Durenberger. Thank you very much. Thank you.

14 The Chairman. Senator Moynihan.

15 Senator Moynihan. Thank you, Mr. Chairman. I
16 understand Senator Chafee wanted to ask a question, so I'll
17 be brief.

18 Well, I will start out with another blunt question,
19 Admiral. Do you feel that now that you have got your fourth
20 star, that you will have the confidence and the courage,
21 when necessary, to tell the Chairman of the Select Committee
22 on Intelligence that the Joint Chiefs of Staff is not made
23 up of five four-star generals?

24 He tends not to know all the branches of the service.
25 I just thought you might want to give him that answer in

1 writing.

2 Admiral Inman. May I submit my answer in writing?

3 (Laughter.)

4 Senator Moynihan. Quite seriously, in comparison with
5 the context of Senator Durenberger's question, would you
6 give a ring over to the Office of Management and Budget,
7 which is just about now, for the fifteenth year in a row,
8 preparing to abolish the Foreign Area Language Studies
9 Program of the National Defense Education Act.

10 And you know why? It's too small. The amount of money
11 is so small. The instructions are to get those cats and
12 dogs out of the budget. And you know, the three people left
13 in the country teaching or learning Tagalog.

14 Admiral, I do have one question. First of all, I want
15 to congratulate you. You know the respect with which you're
16 held by this Committee. And thank you for your very
17 forthcoming statements on the oversight legislation enacted
18 last year, repeating the statement that Mr. Casey made to
19 us.

20 I was struck by your remark that one of the failings of
21 the intelligence in the 70's -- and Senator Wallop and I
22 have learned that you can't succeed all the time -- was that
23 there was an underestimate of Soviet defense -- or military,
24 I guess; it's defense with us and military with them --
25 efforts in the 70s, which made much, I think, influence on

1 public debate in ways which led us in one direction that we
2 had to reverse without quite understanding what led to this
3 and not perhaps perceiving the basis in estimates from which
4 it derived.

5 I think in large measure the CIA estimates were low. I
6 think that you stated the Agency is publishing a new
7 estimate. These are public and in the open. It has to do
8 with the question of why we have intelligence activities.
9 The Soviet and U.S. defense activities, 1971-81. There's no
10 secrets in it. It's a serious economic effort to assess
11 costs, and somebody has to do it. And that's intelligence,
12 probably the most important kind of intelligence.

13 I see that you have an estimate in here that as of last
14 year -- no, current Soviet defense activities, the ruble
15 cost is about 30 percent more than the estimated ruble costs
16 of U.S. defense activities, and the dollar cost is 50
17 percent more.

18 That's rather a formidable number. I think you've
19 never found so large a percentage or absolute gap. I
20 wouldn't think that has ever been the case.

21 Admiral Inman. The great difficulty in this entire
22 costing evolution has been in, again, understanding the
23 total differences in the societies, in what things cost and
24 what one gets for the investment. It's been visible that
25 the Soviets have been increasing at a regular basis for now

1 15 years --

2 Senator Moynihan. By about three percent a year.

3 Admiral Inman. At least three percent, probably a
4 little more after 1970.

5 You ultimately end up -- until you have been able to
6 count the results and you see the results, and then you go
7 back and try to apply some costing standards to it -- what
8 is clear is that the Soviets made the determination shortly
9 after Mr. Brezhnev and his colleagues assumed power to
10 increase their investment in military expenditure. That was
11 used in that five-year plan in ways we didn't understand. A
12 lot of it went into infrastructure, building plants,
13 shipyards, factories.

14 They assessed where they were in 1969, early 1970. We
15 were at that point spending a great deal of our defense
16 expenditure in Southeast Asia. And they saw a closing of
17 the gap, and so they elected to slightly increase again that
18 percentage.

19 We had many people in this country who, inside and
20 outside of Government, who made judgments that they would
21 not be willing to sustain that because of anticipated
22 consumer pressures, because of anticipated difficulties with
23 minorities. And we now have a decade in which they've
24 sustained it without interruption.

25 They may have trouble in the consumer area, but they've

1 kept them within bounds. They may have troubles in the
2 minorities, but they have kept it certainly within the
3 complete control of the party.

4 We've now reached the stage where that whole
5 infrastructure has resulted in a very modern capability for
6 producing military hardware. They aren't using it to its
7 capacity. Manpower is the limitation now on the pace at
8 which they could move.

9 And what worries so many of us as we look at this whole
10 problem is what's happened to U.S. capability, our own
11 infrastructure to build things, to build weapons or even
12 missiles or ammunition. If they elected to step up the pace
13 and convert the manpower, they could clearly produce at an
14 even more impressive rate than they are.

15 It is that trend that's been the cause of concern. And
16 yet we've all had great difficulty in capturing that in the
17 framework of the estimates as they've been written. I hope
18 to have some discussion with new users over whether they
19 really find that year-long effort in cataloguing great
20 quantities of statistics really helpful in understanding the
21 pace and trend of events on the Soviet side. And it
22 probably would be worthwhile to go back and interview some
23 of the past policymakers to see if all that effort really
24 helps them understand what they were facing.

25 Senator Moynihan. Well, I thank you for a very helpful

1 answer. Certainly we are now in a situation where the
2 relative effort is not much to be disputed, that there is a
3 significantly Soviet effort. The numbers are stable and
4 you've had to have made some gross miscalculations over a
5 decade not to have it come out right.

6 Could I just ask you -- you may not wish to speak to
7 this in open session, and I don't think we've ever discussed
8 it at all, Mr. Chairman. Would you suppose that Soviet
9 intelligence activities, generally so defined, probably have
10 a comparable ratio to American?

11 Admiral Inman. In an open session, I would simply give
12 you a rough estimate of manpower an order of magnitude of
13 perhaps three times that which we apply to the problem. We
14 have, I believe, a fairly significant lead in the technical
15 side. Our technology in the computer field clearly is a
16 great advantage to us in trying to sort through and stay
17 abreast of the problem.

18 But they've not been reluctant to apply the manpower in
19 what is a very manpower-intensive industry. And we're so a
20 much more accessible society to understand what's going on.
21 Hopefully, we drown them in so much detail which they're
22 unwilling to trust or believe.

23 Senator Moynihan. Can't you see them staying up nights
24 trying to read the last issue of "Aviation News" and not
25 getting through it, and neglecting their serious political

1 duties because of all the information they get.

2 Admiral Inman. Senator Moynihan, I used to get very
3 upset about the budget intelligence, when someone would go
4 and overadvertise a problem in order to sell their own
5 system. In a society that has become so leaky as this one,
6 that turns out to be one of the few small refuges, that it
7 causes enough difficulty in what they can believe that maybe
8 they cannot sort out the facts from fiction.

9 Senator Moynihan. That's how we get them.

10 Mr. Chairman, once again may I thank you for letting me
11 question the Admiral and welcome him aboard. And we're very
12 proud of you, sir.

13 The Chairman. May I ask the Committee once again. I
14 know it's a little out of order. Would there be any
15 objection to my reporting this candidate to the floor?

16 Not hearing any, congratulations.

17 Admiral Inman. Thank you.

18 The Chairman. We will not have a business meeting. We
19 have another candidate, Mr. Carlucci, coming up, and I have
20 to testify on his behalf. Unless you want to run the
21 Committee?

22 Senator Moynihan. No, sir. I think the Chairman
23 should.

24 Senator Inouye. Mr. Chairman, on the business meeting,
25 may we take up one item? My designee; I do not have a

1 designee. I don't have a designee now. I suggested the
2 name of a Mr. Pngree and he's been cleared by all the
3 agencies.

4 The Chairman. There are three designees: yours,
5 Senator Inouye's, and Senator Schmitt's.

6 Senator Inouye. I move that they be approved.

7 The Chairman. Do I hear a second?

8 Senator Moynihan. Second.

9 The Chairman. Without objection, it is so moved.

10 The meeting will stand adjourned. Thank you,
11 gentleman.

12 (Whereupon, at 3:32 p.m., the Committee was adjourned.)

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